

UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK  
POUGHKEEPSIE DIVISION

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In re:

Choshen Israel Group LLC

Chapter 11

Case No.: \_\_\_\_\_(cgm)

Debtor.

**AFFIDAVIT OF CHAPTER 11**  
**PURSUANT TO LR 1007-2**

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State of New York )

ss

County of Kings )

**I, Lawrence Katz, as Member**, being duly sworn, deposes and says:

1. I submit this affidavit pursuant to Rule 1007-2 of the Local Bankruptcy Rules (the "LBR").
2. I am a member of the Debtor Choshem Israel LLC herein. I am personally familiar with all of the matters set forth below.
3. The Debtor filed the Voluntary Petition for relief under Chapter 11 of Title 11 of the United States Code (the Bankruptcy Code") and an Order for relief was entered. No prior case was filed and confirmed by the Debtor. No committee of creditors was organized prior to this Chapter 11 case.
4. Choshen Israel Group LLC ("Choshen") was created on January 4, 1999.
5. For many years Choshen served as the engine for foreign companies acting as an agent to raise capital in the United States and to market the technology of foreign companies in the United States for the purpose of eventually bringing such companies through the process to (hopefully) lead to a successful Initial Public Offering ( "IPO") .

6. Prior to filing, the CEO of Choshen was Aaron Fischman.
7. Aaron Fischman has had a history of successful IPOs brought up through Choshen
8. Aaron Fischman secured a client for Choshen from the Dutch Antilles, Cardis Enterprises International B.V. and Cardis Enterprises International N.V. were located in the Netherlands (together as “Cardis”).
9. The downfall of Choshen is directly related to its relationship with Cardis.
10. Cardis was a startup company that developed developmental stage credit card processing technology and the owner of several technology patents at a time when a similar technology company, Paypal, was emerging.
11. Choshen served as the engine for Cardis acting as the agent of Cardis to raise capital in the United States and the agent to market Cardis's technology in the United States.
12. Cardis was a prospective venture that was forward looking for profits once its technology is utilized in the open market.
13. Choshen in return would generate a profit for its distribution of stocks and warrants through charging Cardis a fee and Each investor would receive shares of common stock in Cardis that were distributed by Choshen to each shareholder.
14. Capital raised by Choshen for Cardis was deposited in an escrow account holding money for Choshen.
15. Cardis would then issue to Choshen stocks and warrants based on the amount of capital raised.

16. The capital was then distributed into three categories, the office expenses that Cardis had in Nassau County, the funding sent overseas to Cardis, and the fees retained by Choshen.
17. Cardis would deduct from the capital the office expenses that Choshen had accumulated in Nassau County, which included the salaries and overhead.
18. The funding sent to Cardis overseas was distributed by the executives of Cardis, of which neither Choshen nor Aaron Fischman had any involvement.
19. The fees retained by Choshen were its profits.
20. As typical with startups that are investor funded, the startup takes off or fails. If the startup takes off the investors stand to gain multiple times the value of their investment with the anticipation that each stock would be sold starting at the dollar value. These types of investments are extremely high risk and are offered only to investors who understand the risk but desire to take the risk because the rewards are so high.
21. At all relevant times, investors seeking to purchase stock in Cardis were required to sign an acknowledgement understanding the risks involved.
22. At all relevant times, Cardis developed the credit card processing technology it promised to develop; there is no genuine claim that Cardis did not develop what it had promised to develop.
23. At all relevant times, investors received the shares or warrants in Cardis for their investments; there is no genuine claim made that investors did not receive the shares they bargained for.
24. In short, the Cardis start up did not proceed to a successful IPO.

25. Unhappy investors took a claim to the Office of the New York State Attorney General ("OAG").
26. Aaron Fischman was arraigned on multiple counts, and sued civilly by the OAG.
27. Aaron Fischman maintained his innocence and in the interest of avoiding the uncertainty of litigation and trial, Aaron Fischman settled with the OAG.
28. Aaron Fischman stepped down as the CEO of Choshen prior to the OAG taking any action against him.
29. As part of the settlement agreement with the OAG, Aaron Fischman stipulated that he would pay \$2mil in fines within 3 years of 2022 and further agreed to no longer sell securities.
30. Because Aaron Fischman can no longer sell securities, he is taking the responsible step of winding down the Debtor Choshen Israel Group LLC, the company he founded and ran successfully for many years.
31. Aaron Fischman has pledged to gratuitously pay as much as 10% to each valid creditor of the Debtor so long as the dissolution remains in a bankruptcy case under chapter 11.
32. The Debtor herein also holds interest in shares of stock Cardis.
33. Cardis continues to operate and maintain technology patents, yet the value of the shares in Cardis pledged to the debtor is unknown.
34. Choshen intends to liquidate its shares in Cardis to repay its creditors who file timely claims deemed valid by this Honorable Court.

35. The Debtor has no known secured creditors and seeks to liquidate and wind down with a plan for the at least partial repayment of valid existing debts.

36. The Petition in this matter is to be commenced as a Chapter 11.

37. With respect to the holders of the *largest* unsecured claim(s):

445 Central LLC  
95 Delancey Street  
New York NY 10002-0000

Daniel Stern  
1598 28th Street  
Brooklyn NY 11229-0000

American Express Co.  
Attn: Stephen Squeri, CEO  
200 Vesey Street  
New York NY 10285-0000

Fredrick Stern  
1598 28th Street  
Brooklyn NY 11229-0000

Shalom S. Maidenbaum  
132 Spruce Street  
Cedarhurst NY 11516-0000

Moshe Stern  
1598 28th Street  
Brooklyn NY 11229-0000

Simon Stern  
1598 East 28th Street  
Brooklyn NY 11229-0000

38. The secured claim(s) are as follows:

NONE

39. Summary of Assets and Liabilities:

Assets: Shares of stock in Cardis

Liabilities: The debts listed in Schedule E.

40. No securities of the Debtor are publicly held.

41. Debtor's assets are located in New York and/or the Dutch Antilles.

42. At this time the following proceedings are pending or threatened against the Debtor:

SUPREME COURT OF NEW YORK  
COUNTY OF NASSAU

Index Number: 608120/2022

AARON FISCHMAN and CHOSHEN  
ISRAEL GROUP, LLC,

*Plaintiffs,*

-against-

JONATHAN A. STEIN, and SHALOM  
MAIDENBAUM in his individual and official  
capacity on behalf of CARDIS ENTERPRISES  
INTERNATIONAL B.V. and CARDIS  
ENTERPRISES INTERNATIONAL N.V. and  
CARDIS ENTERPRISES INTERNATIONAL  
(USA), INC.,

*Defendants*

The above referenced case challenges the validity of certain confessions of judgment filed with the Supreme Court of New York in the County of Nassau.

SUPREME COURT OF NEW YORK  
COUNTY OF NASSAU  
Index Number: 602193/2018  
Simon Stern v. Choshen Israel LLC et al

SUPREME COURT OF NEW YORK  
COUNTY OF NASSAU  
Index Number: 604766/2016  
Maidenbaum v. Choshen Israel LLC et al

SUPREME COURT OF NEW YORK  
COUNTY OF NASSAU  
Index Number: 601538/2021  
Maidenbaum v. Choshen Israel LLC et al

SUPREME COURT OF NEW YORK  
COUNTY OF NASSAU  
Index Number: 604610/2016  
Maidenbaum v. Choshen Israel LLC

SUPREME COURT OF NEW YORK  
COUNTY OF NEW YORK  
Index Number: 452353/2018  
People of the State of New York  
v. Choshen Israel, LLC, et al

Dated: Brooklyn, New York  
August 2, 2023

Affirmed to before me on this  
2nd day of August, 2023

  
Notary Public  
Lawrence Katz, Member